



CONSULATE GENERAL OF PAKISTAN

PAKISTAN HOUSE

12 EAST 65TH STREET

NEW YORK 21, N. Y.

TRAFALGAR 9-5800

NOT TO BE RELEASED BEFORE  
9:00 A.M. OCTOBER 9TH, 1953.

AN ADDRESS  
- BY -  
HIS EXCELLENCY, SYED AMJAD ALI  
AMBASSADOR OF PAKISTAN TO THE UNITED STATES  
BEFORE THE  
SOUTH ASIA SESSION  
OF THE FAR EAST CONFERENCE,  
FAR EAST-AMERICA COUNCIL OF COMMERCE AND INDUSTRY, INC.  
WALDORF-ASTORIA HOTEL  
AT 9:00 A.M. ON OCTOBER 9TH, 1953.

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MR. CHAIRMAN, LADIES AND GENTLEMEN -

It is good of you to permit me, in your Session on South Asia, to review some of the recent economic developments in Pakistan.

I have had the pleasure of meeting with you several times in past years and I especially welcome the opportunity of renewing my contacts with you to-day. Even though I may come before you in a "new hat" I trust that my old friends among you will still recognize me!

During the last few months we have had a number of more or less specialized meetings with groups of your membership. In June, your Council graciously entertained the Chairman of the Pakistan Industrial Development Corporation, my former colleague, Mr. Ghulam Faruque, and one of our leading industrialists, Mr. Wahed Adamjee. Just a few weeks ago our Finance Minister, Mr. Mohamad Ali, met with some of your members informally. And, of course, in the Spring of this year, my predecessor, and now Pakistan's Prime Minister, Mr. Mohammed Ali, addressed you. The Prime Minister particularly asked me to convey to you his warmest personal regards and his best wishes

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These periodic meetings provide a splendid opportunity for the exchange of views which I believe to be so mutually beneficial. I, for my part, am convinced that the membership of this Council can do much to alleviate some of the industrial deficiencies of under-developed countries, and thus make a genuine contribution to world peace. When I say this, I hasten to assure you I have in mind only such measures as might prove mutually advantageous.

Having reached the point where a crisis in a seemingly remote part of the globe has a profound reaction on all peoples, it is incumbent on each of us to seek for every feasible means of helping our neighbours; in that way we are indirectly helping ourselves. It has been heartening to see recently that there is a growing realization of the world's inter-dependence. The time is past when any group of people can live by itself alone. The ills that beset the under-developed regions of the world have ceased to be their own exclusive concern. Once upon a time a business recession could be localized. Now, if the United States, for example, experiences even a price adjustment let alone a depression, the primary producing countries, thousands of miles away, on the opposite face of the world, share the painful effects. A weakened or insecure economy in any country is bound to have unpleasant repercussions all over. The economies of the so-called under-developed areas are so closely tied to international commodity markets that a sudden price fluctuation on, say, the international cotton market immediately reflects on their primary centres. We, in Pakistan, have seen this happen. Representatives of other countries here to-day may recount similar experiences to you. It is my own belief that the establishment of some tone of stability on commodity

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markets offers the best possibility for the ultimate and permanent peace and security of all.

The world press tends to headline the many political crises which though dramatic are generally confined within territorial boundaries. Newspaper readers are apt to overlook the small print and fail to appreciate the severity of a commodity market crisis despite the fact that such a crisis is perhaps fraught with far graver implications. It may be possible to soothe a political disturbance but a violence on a commodity market may have even more long range effects and over a wider area.

Pakistan commemorated her sixth year of independence in August. A review of this period points out very clearly what I have just tried to convey. The first five years of our history received unanimous acclaim for the extraordinary progress that had been achieved. We had had consecutive balanced budgets, very favourable trade positions and were living well within our means. Large sums of money were being spent to improve transport and port facilities and to establish such new industries as some thirty-five new cotton textile mills, six new jute mills, the biggest sugar refinery in Asia, and so forth. Yet with scarcely any warning, and through no fault of our own, Pakistan suddenly awakened to a crisis which cut our foreign exchange earnings almost by half thus imperiling our whole industrial effort. In a second phase the country was transformed from a surplus food producer to a deficient food area. Despite five years of the most diligent hard work during which the nation was called upon to make every sacrifice for the sake of industrial advancement, a still greater effort to conquer unforeseen hardship had to be exerted.

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The people of Pakistan met this situation with a calm but unshakable determination and have, we hope, weathered the storm.

Pakistan is predominantly an agrarian nation but our foreign trade was a prosperous one. In 1951, we earned some 2.9 billion Rupees in foreign exchange. Within a matter of weeks world commodity prices broke and our foreign exchange earnings dropped by a billion Rupees in 1952. The first half of 1953 has, however, shown a considerably improved position and in combination with a strict import policy we anticipate even better trade balances by year's end.

Up to the end of 1951, we had been surplus in food grains -- normally by four to six percent. But in the Spring of 1952, virtually overnight, we were forced to go abroad to buy 800,000 tons of wheat. This unanticipated expenditure cut deeply into our foreign exchange reserves, but still did not cover our needs. An additional one and a half million tons of wheat had to be obtained to avoid famine. Thanks to the spontaneous unselfish generosity of the American people and some of our other friends, this crisis was surmounted. It is not possible for us to repay in any material form the generosity of the peoples and governments of these countries. We can best display our gratitude by fortifying ourselves against the recurrence of such a situation.

To this end we have undertaken vigorous measures to widen the margin of food reserves by bringing more and more land under food cultivation and increasing acreage yields by greater use of fertilizers improved strains of seeds, etc., but the entire success of these efforts must necessarily depend upon adequate water supplies. In West Pakistan where rainfall is so sparse, the irrigation system is the very life blood of our agricultural production. A fall of even a few

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percentage points in the water flow through the thousands of miles of irrigation canals means a drastic reduction of crop yields. A comparable situation is faced in the South Western States of this country. It must have heartened our many friends and well-wishers to see the interesting pictorial article the "New York Times" carried a few days ago on the vast land reclamation project at Thal in the Punjab. This project will bring another one and a half million acres under cultivation in two to three years.

Before concluding my remarks to-day, may I be allowed to say a few words concerning the ideals toward which we in Pakistan are working.

Within the framework of the democratic free-enterprise system of Government, we have set for ourselves a three-point programme on which direct attacks must be made. First, and most important, is the Food Front about which I have already spoken.

Secondly, we must create a better balance between agriculture and industry by achieving a degree of self-sufficiency in consumer goods for which adequate supplies of raw materials are available domestically, as for example, cotton textiles for which we have abundant raw cotton; paper for which we have extensive tracts of bamboo.

Thirdly, it is to be hoped that, aided by the very great savings which would be effected by our achievements in these two goals, and by increasing our export trade, we shall so improve our balance of payments position as to expedite the sociological progress of our people -- better living for everybody throughout the country the whole objective. It will be seen that we have placed the entire emphasis of our industrial revolution upon the raw materials we,

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ourselves, produce domestically. We have resisted the temptation to press for such attractive secondary and tertiary industries as the manufacture of automobiles or airplanes and the like. We do not wish to dissipate our energies on such will-o'-the-wisps. We consider that, above all, our plans must be rational and realistic. Our surveys have disclosed that Pakistan possesses no less than sixty commodities and agricultural products which are capable of use to the rest of the world and thus would augment our export trade. These are new commodities capable of development in Pakistan; a big enough field for private Pakistan endeavour for years to come with plenty of room for foreign investors if they are so inclined to co-operate with us to our mutual advantage.

Our philosophy and our policies toward the foreign investor are liberal in the extreme. We appreciate that we must create an attractive climate for the investor if we are to obtain the right type of co-operation from abroad. I would urge those amongst you who are seeking this kind of foreign operation to look Pakistan over. A visit would be most welcome.

I hope my remarks to-day have made it clear that my Government's primary concern is for the welfare of the people of Pakistan from whom, in the final analysis, the Government receives its strength.

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